

Message Text

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SUBJ: NEW KOREAN MOTION PICTURE PURCHASING SYSTEM PROMULGATED

1. THE ROK MINISTER OF CULTURE AND INFORMATION ANNOUNCED RE-VISION OF THE KOREAN MOTION PICTURE PURCHASING LAW, TO BE EFFECTIVE FROM SEPTEMBER 1, 1976, WHICH WILL GIVE TO THE SEMI-AUTONOMOUS MOTION PICTURE PROMOTION CORPORATION (MPPC) NEW POWERS TO CONTROL IMPORTS OF FOREIGN FILMS.

2. UNDER THE NEW REGULATIONS, THE MPPC WILL LOCATE SOURCES OF MOTION PICTURES, NEGOTIATE WITH FOREIGN SUPPLIERS THE PRICES OF FILMS, APPROVE ONE OF THE 14 ELIGIBLE KOREAN IMPORTERS AS THE IMPORTER OF THE FILM AND ACT AS CENSOR. THE KOREAN IMPORTER WOULD DO THE ACTUAL BUYING OF THE FILM AND CONTRACT WITH THE FOREIGN DISTRIBUTOR.

3. UNDER THE NEW SYSTEM, THE MPPC WOULD DEVELOP A LIST OF APPROVED FILMS AND THEIR PRICE, WHICH WOULD THEN BE CIRCULATED TO KOREAN PRODUCERS TO CHOOSE. IF MORE THAN ONE SELECTED THE SAME FILM, THE MPPC WOULD DETERMINE THE KOREAN IMPORTER. THERE WOULD BE NO CHANGE, AT PRESENT, TO THE \$35,000 LIMIT PER FILM IMPORTED.

4. COMMENT: IN A CONVERSATION BY COMMERCIAL COUNSELOR WITH KIM DONG-HUI, VICE MINISTER OF CULTURE AND INFORMATION AND YUN CHI-OH, ART BUREAU DIRECTOR, KIM GAVE ASSURANCES THIS NEW PLAN WOULD NOT RESULT IN A GOVERNMENT OR CENTRAL BUYING OFFICE. HE SAID THE GOVERNMENT WAS ANXIOUS TO DO BUSINESS DIRECTLY WITH US MOTION PICTURE COMPANIES OR THEIR GENERAL DISTRIBUTORS.

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IN THE PAST, HE SAID, THERE HAD BEEN INTENSE COMPEITION

BETWEEN FOREIGN SUPPLIERS AND KOREAN PRODUCERS, RESULTING IN SIDE PAYMENTS TO GET POPULAR FILMS. ALSO KOREANS WOUND UP DOING BUSINESS WITH MANY AGENTS OF DISTRIBUTORS (READ JAPANESE) WHO WORKED FOR THE GENERAL DISTRIBUTOR, THEREBY HIKING PRICES TO KOREAN DISTRIBUTORS.

5. ON RELATED SUBJECTS, KIM SAID THE ESTABLISHING OF AN OFFICE BY US FILM DISTRIBUTORS IN KOREA WOULD SET A PRECEDENCE FOR THE OPENING OF OTHER FOREIGN (READ JAPANESE) COUNTRIES' OFFICE WHICH WOULD BE DETRIMENTAL TO US FILM SALES. KIM DID NOT PRECLUDE SUCH AN OFFICE IN THE FUTURE, SAYING IT WAS UP TO THE MINISTER FOR COMMERCE AND INDUSTRY.

6. ON THE SUBJECT OF FILM QUOTAS AND THE \$35,000 LIMIT PER FILM, KIM AGREED WITH EMBOFF REMARK THAT KOREA WAS NOT GETTING THE TOP QUALITY US FILMS AND SAID HE EXPECTED THIS AMOUNT OF MONEY PER FILM WOULD PROBABLY BE INCREASED IN THE FUTURE AS FOREIGN RESERVES WARRANTED. THE NUMBER OF FILMS WOULD BE INCREASED AS THE LOCAL MARKET DEVELOPED.

7. KIM WAS VERY SENSITIVE TO THE MOTION PICTURE SECTION OF THE JOINT COMMUNIQUE OF THE SEVENTH COMMERCE MINISTERIAL CONFERENCE, HELD IN KOREA IN MAY, 1976. HE REFERRED TO IT SEVERAL TIMES AND GAVE OFFICIAL ASSURANCE ON A GOVERNMENTAL BASIS THAT KOREA WOULD COOPERATE IN INCREASING US FILM EXPORTS TO KOREA.
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